

HB 2444 STAFF MEASURE SUMMARY

House Committee On Revenue

Prepared By: Kyle Easton, Economist

Meeting Dates: 5/4, 5/12, 5/17

WHAT THE MEASURE DOES:

Extends sunset, from January 1, 2022 to January 1, 2028, of tax credit available to taxpayers with a qualified disabled dependent child.

ISSUES DISCUSSED:

- Means testing using adjusted gross income limit of \$100,000 is applicable to all filer types
- Lack of means testing distinction between single or joint taxpayers reflects policy intent of past legislative assemblies
- Means testing cap is not indexed to inflation.

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Taxpayers with adjusted gross income (AGI) up to \$100,000 are allowed an additional personal exemption credit for each dependent child who meets the relevant statutory definition of disabled. The personal exemption credit is indexed to inflation and will be \$214 in 2021. In 2018, nearly 20,000 Oregon resident taxpayers claimed the disabled child credit with the average credit benefit being about \$200.

A “child with a disability” is defined as a dependent child who is eligible for early intervention services, or who is diagnosed for special education purposes as being autistic, mentally retarded, multi-disabled, visually impaired, hearing impaired, deaf-blind, orthopedically impaired, other health impaired, or as having serious emotional disturbance or traumatic brain injury, in accordance with State Board of Education rules. To qualify, taxpayers must be able to provide an eligibility statement that confirms a qualifying child's disability as reported on the child's Individualized Education Program (IEP) or Individualized Family Service Plan (IFSP).